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The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST FOR APPROVAL AND AWARD OF TWO (2)  
PRINT OPTIMIZATION AND RELATED SUPPORT SERVICES CONTRACTS  
(ALL DISTRICTS – 3 VOTES)**

**SUBJECT**

Request approval to award two (2) contracts to provide print optimization and related support services to various County departments to support implementation of the County's Managed Print Services Program.

**JOINT RECOMMENDATION WITH THE CHIEF INFORMATION OFFICE THAT YOUR BOARD:**

1. Approve and instruct the Chairman to sign the attached contracts (Attachments 1 and 2) with Ricoh Americas Corporation ("Ricoh") and Xerox Corporation ("Xerox") to provide print optimization and related support services to departments countywide effective February 1, 2013, for an initial term of five (5) years, with two (2) one-year extension options, and six (6) month-to-month extensions.
2. Authorize the Director of the Internal Services Department (ISD), or designee, to exercise the renewal option extensions in accordance with the attached contracts; add County-certified small business enterprises as subcontractors; execute contract amendments approved by County Counsel; and make necessary changes to the scope of services and applicable contract amendments should the original contracting entity merge, be acquired, or otherwise have a change of entity.
3. Make the Managed Print Services (MPS) Program mandatory for all County departments and establish a three-year target for countywide Program deployment.

4. Charge the County's Chief Information Office (CIO) with responsibility for overseeing the overall MPS coordination, granting exceptions, and providing progress reports.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The MPS Program is a key countywide efficiency initiative, which optimizes office printing while lowering costs. In 2011, the County conducted a print assessment, which identified that the County operates an estimated 43,000 print devices at an annual cost of approximately \$36 million. By using MPS approaches, which include reducing and standardizing printing equipment, measuring and managing costs, and measuring color printing, the assessment recommended that the County could achieve an estimated \$9.7 million (or 27 percent of print costs) in annual cost savings.

The first and second recommendations request approval of two (2) contracts to enable access to MPS services and delegated authority to the Director of ISD to execute contract amendments. Additionally, the second recommendation provides for the ability to add more certified local small business enterprise vendors as subcontractors should Ricoh or Xerox negotiate arrangements with such entities during the term of the contract. These contracts will allow ISD to maintain a pool of two (2) qualified vendors that can provide print optimization and related support services to departments countywide through a centralized and streamlined competitively solicited contracting process.

The third recommendation requests Board approval to make the MPS Program mandatory for all County departments and establish a three-year target for countywide deployment. This will maximize the County's potential to achieve MPS estimated cost savings.

The fourth recommendation directs the CIO to provide overall countywide coordination of the MPS Program. The CIO will be responsible for granting exceptions to the MPS Program and providing progress reporting to the Chief Executive Office and the Board.

#### **Implementation of Strategic Plan Goals**

The recommended contracts support the County's Strategic Plan Goal Number 1, Operational Effectiveness, by effectively managing County resources to provide efficient and responsive print optimization and related support services throughout the County.

#### **FISCAL IMPACT/FINANCING**

Services for departments will be solicited by ISD through a competitive departmental purchase order solicitation process that will include only two (2) contracted vendors. Expenditures over the term of the agreements in any given year will be budgeted by departments annually for such services. Contractor's proposed rates for purchase order bids cannot exceed the maximum rates identified in the contracts (Attachments 1 and 2), and contract rates are fixed for the entire contract term, including extension options.

Departments utilizing the services are responsible for ensuring that contractors will not perform services which exceed the amounts, scope of work, and dates specified in each individual purchase order.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

ISD is seeking approval of two (2) contracts for print optimization and related support services. Negotiated terms and conditions that vary from the County's standards are summarized in Attachment 3. ISD worked closely with CEO Risk Management and County Counsel to negotiate the most advantageous terms possible for the County. Terms that were specially negotiated are non-substantive.

The recommended contracts have been approved as to form by County Counsel. Except as detailed in Attachment 3, the recommended contracts contain the Board's required contract provisions. These contracts do not allow for a cost-of-living adjustment (COLA).

A summary of the Community Business Enterprise Program information for each recommended contractor is provided in Attachment 4. Although the recommended contractors are not certified as Local Small Business Enterprises (LSBE), the two (2) recommended contractors agreed to partner with County-certified small businesses as subcontractors to provide the contracted services. The Ricoh Americas Corporation will be subcontracting to Skill Office Machines and Universal Reprographics; the Xerox Corporation will be subcontracting to Copy R Office Solutions.

These are not Proposition A contracts and, therefore, not subject to the Living Wage Program (County Code Chapter 2.201). It has been determined that the services under these contracts do not impact Board Policy No. 5.030, "Low Cost Labor Resource Program," because of the specialized nature of the work.

## **CONTRACTING PROCESS**

On April 19, 2012, ISD released a Request for Proposals (RFP) for Print Optimization and Related Support Services and posted the solicitation and contracting opportunity announcement on the County's "Doing Business with Us" website (Attachment 5).

A mandatory proposer's conference was held on May 5, 2012, and thirty-two (32) vendors attended. Three (3) proposals were received by the July 3, 2012, deadline. ISD staff reviewed the proposals to confirm that the minimum requirements were met and the proposals were in compliance with the requirements set forth in the RFP.

The evaluation process consisted of three (3) phases. Phase 1 included the evaluation of proposals based on the criteria listed in the RFP. Phase 2 required the recommended contractors to conduct presentations on the proposed print environments (equipment, software, and services). In Phase 3, the County performed preliminary testing of the recommended contractors' proposed equipment and software, and validated that the performance and functionality were in compliance with the requirements identified in the RFP.

Contractual terms and conditions were negotiated with the two (2) recommended contractors. Canon Business Solution, Inc's proposal was removed from consideration due to unsuccessful negotiations. Attachment 3 represents the final positions agreed upon by both the County and the recommended contractors. No protests were received for this solicitation.

The recommended contracts include maximum rates for various services. Customized statements of work will be developed by departments and bid out to the two recommended contractors with a purchase order awarded to the lowest priced contractor. Approval of the contracts does not guarantee a contractor any minimum amount of work. County departments only incur an obligation as individual purchase orders are issued.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of these contracts and recommendations will support the implementation of the County's MPS Program and will maximize the County's projected Program cost savings.

Respectfully submitted,



TOM TINDALL

Director



RICHARD SANCHEZ

Chief Information Officer

TT:JS:YY

Enclosures

c: Executive Office, Board of Supervisors  
Chief Executive Officer  
County Counsel